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**Title:**

Statement: South Australian defence needs

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# STATEMENT

from the Premier

Date..... June 25, 1976

Embargo 8.00 p.m. ....

State Administration Centre,  
Victoria Square, Adelaide,  
South Australia 5001  
228 4811

## SOUTH AUSTRALIAN DEFENCE NEEDS

The South Australian Government wants the Federal Government to buy more defence equipment within Australia, the Premier, Mr. Dunstan, said tonight.

Speaking at a public meeting in Woomera, Mr. Dunstan released details of the South Australian Government's submission to a federal parliamentary committee investigating industrial support for defence needs.

The Premier attacked the Federal Government's policy of deliberately running down defence facilities in South Australia, saying it was vital for both defence and economic reasons that establishments such as Woomera be kept viable.

"This Federal Government talks in contradictory terms about so many economic and social matters that no-one should be surprised that its defence policies are confused.

"In one breath, the Defence Minister, Mr. Killen, talks of spending \$12,000 million on defence and in the next breath announces cutbacks in places such as Woomera".

Mr. Dunstan said more than 700 highly skilled people employed at Woomera would be withdrawn by the end of this year as a direct result of Federal Government run-down of the base.

Mr. Dunstan said the Federal Government's neglect of the defence industry in South Australia highlighted the lack of coherent and well defined long term Government defence procurement policy.

"This had been a major point of the South Australian Government's submission to the Parliamentary Committee", the Premier said.

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In the submission, the State Government highlighted five major areas of concern:

- a. The lack of any clear long term defence procurement policy which meant that industries were unable to plan future demand levels for specialised equipment
- b. The need for more encouragement for Government funded development work
- c. The provisions which allow the Commonwealth Government to import goods duty free, giving Departments an incentive to draw up their specification or delivery requirements so they can only be met by overseas firms
- d. The Federal Government's tendering policies promote fragmentation of the industry
- e. The lack of local preference policies.

The submission says a long term policy of buying defence goods from local industry should be adopted.

The policy should give maximum prior advice to local industry of an impending need so that local companies could see whether they could make the equipment and at what cost, whether a licencing arrangement could be negotiated with an overseas company, or whether local firms were prepared and able to jointly undertake development.

As well, local industry should be encouraged to undertake more research and development work through more Government contracts and through greater industry involvement during the early stages of defence programme planning.

The submission calls on the Federal Government to inform all interested firms prior to any large scale tender being let and that the companies be asked to demonstrate their ability to satisfy the requirements. A better method of financially and technically appraising tenders should be developed.

The South Australian Government strongly recommends that all Commonwealth Government departments should pay duty on goods imported by them on their behalf.

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